

Timber Ridge Village EHU Deed Restriction Credit Program

Effective Date of 5/12/2025

Purpose and Use:

With the creation of the Timber Ridge EHU Credit Program, the Town is encouraging applicants for new development with an onsite housing requirement to satisfy Inclusionary Zoning and Commercial Linkage mitigation through the purchase of Timber Ridge Village employee housing units instead of providing employee housing units onsite to meet their Inclusionary Zoning and Commercial Linkage obligations and the specific purposes of Title 12 Zoning Regulations. Funds generated from the Timber Ridge EHU Credit Program shall be used to aid in the creation of additional deed restrictions through housing development, programs and initiatives.

Individual and business owner home buyers shall be eligible for participation in the EHU deed restriction credit program; this includes buyers under contract and in good standing at the time of the adoption of the EHU credit program. The future value of the EHU credit shall be determined based upon the provisions of the Vail Town Code adopted at the time the EHU credit is redeemed.

Recorded EHU deed restrictions or existing deed restriction obligations may be exchanged for new deed restrictions at Timber Ridge Village, subject to the exchange rates established in the Section 12-13-5, Employee Housing Unit Deed Restriction Exchange Program. This shall be permitted as an administrative action provided the request complies with the criteria and findings prescribed in 12-13-5(F)(1) and (F)(3)(a)(1-7) and (F)(3)(b)(1-4).

Term:

Not more than 86,500 square feet of Timber Ridge EHU credits shall be available for acquisition by home buyers. **No more than 30,000 square feet of the 86,500 will be available to apply for an assignability clause**, to incentivize the purchase of new units. Developments looking to mitigate commercial linkage or inclusionary zoning requirements will be able to utilize assignable credits but will also be encouraged to purchase new contracts to mitigate their code requirements. The redemption period of all EHU credits purchased through the Timber Ridge Village deed restriction credit program shall expire on December 31, 2035. Any unused credit as of January 1, 2036, shall become null and void.

The Town of Vail reserves the right to terminate the EHU deed restriction credit purchase program at any time at its sole discretion. The Town of Vail, however, shall honor deed restriction credits acquired prior to the termination of the program.

Price

The value of the credit to be purchased is commensurate with the terms of the deed restriction, the terms of the credit purchased, and the type of home purchased. For instance, if the credit purchased for a four-bedroom home is to be freely assignable, its value is different than if the credit is purchased for a two-bedroom home and cannot be assigned.

The following flat fee values shall be added to the retail purchase price of a home at Timber Ridge Village to acquire the EHU deed restriction credit:

- Studio EHU Credit 10% of the unit purchase price.
- One Bedroom EHU Credit 25% of unit purchase price.
- Two Bedroom EHU Credit 20% of unit purchase price.
- Three Bedroom EHU Credit:10% of unit purchase price.
- Four Bedroom EHU Credit: No increase in unit purchase price.

A 7.5% premium shall be added to the retail purchase price of the home to acquire assignability rights to the EHU Credit. The 7.5% fee is in addition to the purchase price of the EHU Credit.

The assignability rights may only be purchased at the time of the initial EHU Credit purchase.

The Town of Vail reserves the right to amend the EHU credit flat fee purchase percentage and/or the assignability premium percentage without notice or limitations.

EXAMPLE

TRV EHU Pricing			Basic EHU Credit		Transferable Credit Premium	
	SF	Avg. Price	Cost %	Cost	Cost %	Cost
Studio	477	\$409,566	10.0%	\$40,957	7.5%	\$30,717
1BD/1BA	702	\$482,800	25.0%	\$120,700	7.5%	\$36,210
2BD/2BA	1,032	\$697,516	20.0%	\$139,503	7.5%	\$52,314
3BD/2BA	1,317	\$906,121	10.0%	\$90,612	7.5%	\$67,959
4BD	1,477	\$1,054,339	0.0%	\$0	7.5%	\$79,075

NOTE: IF THE BUYER/OWNER OF THE UNIT IS DIFFERENT THAN THE BUYER/OWNER/USER OF CREDIT, THEN THE 7.5% ASSIGNABILITY UPCHARGE MUST HAVE BEEN PAID.

EHU DEED RESTRICTIONS CREDITS THAT ARE ASSIGNABLE SHALL ONLY BE REDEEMED IN WHOLE UNIT INCREMENTS, UNIT SQUARE FOOTAGE SHALL NOT BE BROKEN UP AND REDEEMED IN PARTS, THE WHOLE UNIT AND ITS RELATED SQUARE-FOOTAGE SHALL BE FULLY REDEEMED. AN EHU CREDIT CAN ONLY BE REDEEMED ONE TIME.

Contract

The EHU deed restriction credit shall be enumerated within a separate Assignable EHU Credit contract or a Non-Assignable EHU Credit Contract, based on the assignability of the credit to be purchased. The contract shall state the amount of EHU square-footage and number of bedrooms, based on the unit that the credit is derived from, that can be utilized for mitigation. The EHU deed restriction credit tracking numbers shall utilize the following methodology: Project "TRV"- Building "A" – Unit "102"

Bedroom count “2”, so credit number TRV-A-101-2 pricing and square footage would be based off the 2-bedroom Unit 102 in building A of Timber Ridge Village.

EHU deed restriction credit Mitigation rates shall be based off the square footage or unit type identified within Town code at the time the credit is applied against mitigation requirements. For example, if the code required mitigation calculations are square footage, then the square footage associated with the credit shall be applied to the mitigation requirement. If the mitigation rates are based on the number of employees to be housed, then the EHU credits shall be based on the number of employees to be housed by the unit type outlined within the code at the time of application.

The EHU deed restriction credit shall be purchased at the time of closing on the original sale of each home from Triumph Timber Ridge LLC to the first purchaser. Once the original home sale has closed, the Town will no longer offer an EHU deed restriction credit for purchase on that home.

An EHU deed restriction credit to be purchased by the holder of an existing purchase and sale agreement, whether business owner or individual, shall opt-in within 30 days of the effective date of the EHU deed restriction credit program. After the 30-day opt-in period, holders of existing purchase and sale agreements shall have an additional 15 days to make their EHU Deed Restriction Credit deposit and execute the contract. After the 15-day deposit/contract period, existing contract holders shall no longer be eligible for participation in the program utilizing their existing contracts.

All additional net sales proceeds generated from the EHU deed restriction credit program shall be accrued to the sole benefit of the Town of Vail. Triumph Timber Ridge LLC shall administer the transaction at the direction of the Town of Vail and utilize contract language provided by the Town.

Deposit

The value of the EHU deed restriction credit shall be exempt from the earnest money down payment calculation on the traditional unit purchase and sale agreement. However, the EHU deed restriction credit value shall have its own separate earnest money down payment requirement to the benefit of the Town. That earnest money down payment requirement for the EHU Credit shall equal 20% of the total cost of the credit, based on unit type and assignability. The 20% deposit shall be non-refundable, and checks shall be made out to the Town of Vail and due upon contract signing.

To ensure that contracts are converted to actual sales, individual owners who opt into the EHU Deed Restriction Credit Program shall have their unit contract down payments become non-refundable similar to business owner contracts.

Phasing and Priority

The first phase will prioritize the unsold studio, 2, 3, and 4-bedroom units in Building A, B, E and F (the first buildings to close) and will temporarily be open to all existing contracts, regardless of which building the unit is located in, based on the terms below.

- From the time the EHU Credit Program opens, the existing contracts shall have 30 days to opt-in to the EHU credit program.

- Upon the conclusion of the existing contract opt-in period, the existing contracts that opted into the EHU credit program shall have an additional 15 days to place their 20% non-refundable EHU Deposits and execute contracts.
- Deposits not received within the timeframe shall nullify the EHU contract.

Record Keeping

The Town of Vail Housing Department shall establish an internal accounting system and protocol for tracking and verifying deed restriction credits acquired and redeemed through the EHU deed restriction credit program for the term of the deed restriction. The accounting system should be audited annually.